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HOUSE BILL 825

47TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2006

INTRODUCED BY

Brian K. Moore

AN ACT

RELATING TO FINANCE; AMENDING THE STATEWIDE ECONOMIC
DEVELOPMENT FINANCE ACT TO ALLOW FINANCING OF CERTAIN PROJECTS
WITHOUT PRIOR LEGISLATIVE AUTHORIZATION; MAKING AN
APPROPRIATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 6-25-6 NMSA 1978 (being Laws 2003,
Chapter 349, Section 6, as amended) is amended to read:

"6-25-6. NEW MEXICO FINANCE AUTHORITY--ADDITIONAL POWERS
AND DUTIES.--

A. To implement a program to assist eligible
entities in financing projects, the authority has the powers
specified in this section.

B. Projects receiving financing assistance with
money in the fund shall first be approved by law. To protect

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1 public money in the fund or other public resources, rules of
2 the authority relating to state projects shall include
3 provisions to ensure achievement of the economic development
4 goals of the state project and shall describe the means of
5 recovering public money or other public resources if an
6 eligible entity defaults on its obligations to the authority.

7 C. The authority may provide financing assistance
8 in an aggregate amount not to exceed one million dollars
9 (\$1,000,000) per year for standard projects without prior
10 legislative authorization.

11 [~~E.~~] D. Standard projects shall be approved by the
12 authority pursuant to rules approved by the New Mexico finance
13 authority oversight committee.

14 [~~D.~~] E. The authority may:

15 (1) issue project revenue bonds on behalf of
16 an eligible entity, payable from the revenues of a project and
17 other revenues authorized as security for the bonds, to finance
18 a project on behalf of an eligible entity;

19 (2) make loans from the fund for projects to
20 eligible entities that establish one or more dedicated sources
21 of revenue to repay the loan from the authority;

22 (3) enter into loan participation agreements
23 from the fund for projects, whether in the form of an interest
24 rate buy-down, the purchase of loans or portions of loans
25 originated and underwritten by third-party lenders or other

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1 similar arrangements;

2 (4) provide loan guarantees from the fund for
3 projects;

4 (5) make, execute and enforce all contracts
5 necessary, convenient or desirable for purposes of the
6 authority or pertaining to project revenue bonds, economic
7 development revolving fund bonds, loans, loan participations or
8 loan guarantees and the Statewide Economic Development Finance
9 Act and pay the reasonable value of services rendered to the
10 authority pursuant to the contracts;

11 (6) purchase and hold loans and loan
12 participations in the fund at prices and in a manner determined
13 by the authority;

14 (7) sell loans and loan participations
15 acquired or held by the authority in the fund at prices and in
16 a manner determined by the authority;

17 (8) prescribe the form of application or
18 procedure required of an eligible entity to apply for financing
19 assistance;

20 (9) fix the terms and conditions of the
21 financing assistance, including the priority of lien and type
22 of collateral or other security, and enter into agreements with
23 eligible entities with respect to financing assistance;

24 (10) fix, revise from time to time, charge and
25 collect fees and other charges in connection with the issuance

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1 of bonds; the making, purchase, participation in or guarantee
2 of loans; and the review of proposed financing assistance to an
3 eligible entity, whether or not the financing assistance is
4 provided;

5 (11) employ architects, engineers, accountants
6 and attorneys; construction and financial experts; and such
7 other advisors, consultants and agents as may be necessary in
8 its judgment, and fix and pay their compensation;

9 (12) to the extent allowed under its contracts
10 with the holders of bonds of the authority, consent to
11 modification of the rate of interest, time and payment of
12 installments of principal or interest, security or any other
13 term of financing assistance;

14 (13) consider the ability of the eligible
15 entity to secure financing for a project from other sources and
16 the costs of that financing;

17 (14) acquire fee simple, leasehold,
18 mortgagor's or mortgagee's interests in real or personal
19 property and sell, mortgage, convey, lease or assign that
20 property for authority purposes; and

21 (15) in the event of default by an eligible
22 entity, enforce its rights by suit, mandamus and all other
23 remedies available under law.

24 [~~E.~~] F. The authority shall adopt rules subject to
25 approval of the New Mexico finance authority oversight

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1 committee to:

2 (1) establish procedures for applying for
3 financing assistance;

4 (2) establish credit qualifications for
5 eligible entities and establish terms and conditions for
6 financing assistance;

7 (3) establish economic development goals for
8 projects in consultation with the department;

9 (4) establish methods for determining
10 quantifiable benefits;

11 (5) provide safeguards to protect public money
12 and other public resources provided for a state project;

13 (6) establish procedures by which the
14 authority requests approval by law for projects receiving
15 financing assistance with money in the fund; and

16 (7) establish fees to pay the costs of
17 evaluating, originating and administering financing assistance.

18 [F.] G. The authority shall coordinate with the
19 department to provide staffing and other assistance to the
20 department in carrying out the department's responsibilities
21 and activities pursuant to the Statewide Economic Development
22 Finance Act."

23 Section 2. APPROPRIATION.--One million dollars
24 (\$1,000,000) is appropriated from the general fund to the
25 economic development revolving fund for expenditure in fiscal

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1 year 2007 and subsequent fiscal years for the purpose of
2 carrying out the provisions of the Statewide Economic
3 Development Finance Act. Any unexpended or unencumbered
4 balance remaining at the end of a fiscal year shall not revert
5 to the general fund.

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